

99

35095

FLD
333

CONFIDENTIAL

SECRET

CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

25X1

DATE: 25X1X

INFO.	
-------	--

DIST. 16 September 1947

PAGES 2

SUPPLEMENT

25X10

25X1X

25X1A

25X	RK1/X	X	X	X	X					
	STATE	WAR	NAVY	JUSTICE	R E E	C & D				

25X1

1. The over-all situation within USIVA is reported as unfavorable. All attempted business transactions with Switzerland have proved abortive as the result of Swiss insistence on certificates of origin for all goods. Previous shipments from USIVA factories to Switzerland for sale in the Swiss Confederation have been returned to Austria. Further attempts to secure hard cash in Austria, Czechoslovakia, or Switzerland have been unsuccessful. The Swiss now state that even if USIVA obtains the certificates of origin, they will no longer deal directly with USIVA accounts in Switzerland but only with the Austrian National Bank, in accordance with the clearing agreement between Switzerland and Austria.

25X1

3. As a result of its inability to conclude business transactions abroad, USIVA's warehouses are crammed with goods which cannot be unloaded for dollars or other hard currency. Some of these goods are being sent to the USSR in order to cancel USIVA's \$1,000,000 debt. Other goods, which are unacceptable to Moscow, are being traded with the administrations of ex-enemy property in Hungary and Romania for goods which are acceptable to the USSR. Major Sagarin is reported to have recently concluded a barter arrangement with the Soviet Administration of Ex-German Property in Hungary, but details are not known. Although USIVA is very busy with this barter, it must handle it without Moscow's knowledge and acquires no profit through such deals. The transportation of goods to and from Hungary and Romania is carried out by Fuzhtrans.

25X1X

40. prior to the arrival of the inspection commission from Moscow; the bank had made large schilling loans to Soviet agencies in Vienna, including about 300,000.000 schillings to USWA. The commission expressed dissatisfaction with this and ordered the bank to collect all the money owed it. This increased the bank's schilling holdings considerably. Late in August 1947, Moscow ordered the bank to place all minimum amounts of schilling deposits at the disposal of the Soviet purchasing units located in Paniglgasse 20 and Kaerntnerring 14. At the same time, these purchasing units were instructed by Moscow to buy up at any price large quantities of metals, metal products, electrical equipment, textiles, and leather goods and forward them to the USSR.

25X1X

Document No. **100-101**
 NO CHANGE in Class. ☐
 BY DECLASSIFIED ☐
 Class. CHANGED TO: TS S C
 DRA Memo, 4 Apr 77
 Auth: DIA REG-77-178 Approved F
 Date: 11 4 APR 1978 Evi

CONFIDENTIAL

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1978 from the
Director of Central Intelligence to the
United States.
Next Review Date: 2008

~~CONFIDENTIAL~~~~SECRET~~

CENTRAL INTELLIGENCE GROUP

-2-

learned that recently one purchasing unit bought from Boehler Stahlwerke 20,000,000 schillings worth of high quality sheet steel.

5. The Soviet Military Bank and the above-mentioned purchasing units are military organizations subordinate to the Central Group of Forces Trade Section in Moedling bei Wien. The purchasing units are buying up goods all over Austria through merchants acting as purchasing agents. Through the Central Group of Forces, Moscow has informed the purchasing units that all goods ordered since late in August 1947, may be brought to Vienna by private firms; however, all shipments of such goods out of Austria to the Soviet Union must be made by military transport. Yuzhtrans has been specifically forbidden to participate in such shipments to the USSR. [] believes that military guards are used in order to prevent any checking by Austrian or Allied agencies.

25X1X

~~CONFIDENTIAL~~~~SECRET~~